

# Earnings of FY2016/3 1Q

## FUJIFILM Holdings Corporation

Jul. 30, 2015

### FORWARD-LOOKING STATEMENTS

Forward-looking statements, such as those relating to earnings forecasts and other projections contained in this material, are management's current assumptions and beliefs based on currently available information. Such forward-looking statements are subject to a number of risks, uncertainties, and other factors. Accordingly, actual results may differ materially from those projected due to various factors.

### Performance Summary of FY2016/3 1Q

**FUJIFILM**

## Consolidated Performance for FY2016/3 1Q (Apr. 2015 – Jun. 2015)

(Billions of yen)

	FY2015/3 1Q	FY2016/3 1Q	Change
Revenue	558.4 100.0%	590.9 100.0%	32.5 +5.8%
Operating Income	29.8 5.3%	36.2 6.1%	6.4 +21.3%
Income before Income Taxes	29.9 5.3%	44.6 7.5%	14.7 +49.4%
Net Income Attributable to FUJIFILM Holdings	15.4 2.8%	24.3 4.1%	8.9 +58.2%
Net Income Attributable to FUJIFILM Holdings per Share	¥31.88	¥50.59	¥18.71
Exchange Rates US\$/¥	¥102	¥121	+¥19
€/¥	¥140	¥134	-¥6

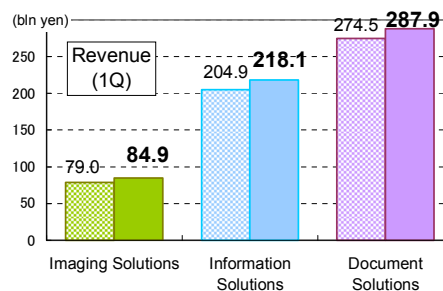
Note: Analysis of operating income (YoY) Exchange rate fluctuations: ¥+1.9 billion, Raw material prices: ¥(0.5)

## Consolidated Revenue and Operating Income by Segments

(Billions of yen)

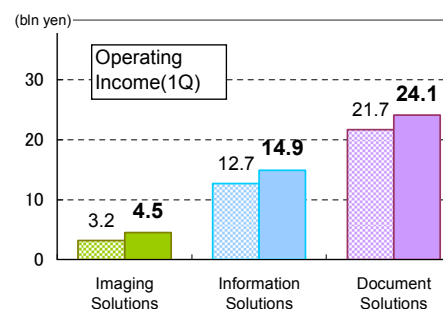
Revenue	1Q		Change	
	FY2015/3	FY2016/3		
Imaging Solutions	79.0	84.9	5.9	(+7.4%)
Information Solutions	204.9	218.1	13.2	(+6.5%)
Document Solutions	274.5	287.9	13.4	(+4.9%)
Total	558.4	590.9	32.5	(+5.8%)

Note: After elimination of intersegment transaction.



(Billions of yen)

Operating Income	1Q		Change	
	FY2015/3	FY2016/3		
Imaging Solutions	3.2	4.5	1.3	(+39.4%)
Information Solutions	12.7	14.9	2.2	(+17.4%)
Document Solutions	21.7	24.1	2.4	(+10.9%)
Corporate Expenses & Eliminations	(7.8)	(7.3)	0.5	
Total	29.8	36.2	6.4	(+21.3%)



## Summary by Operating Segment

(Billions of yen)

■ Imaging Solutions	Revenue	YoY	Operating income	YoY
		84.9	5.9 (+7.4%)	4.5

- In the photo imaging business, the overall sales increased drastically due to the strong sales of instant photo systems such as instant cameras, instant films and others around the world. In addition, such high-value-added printing business as *Year Album* and others expanded and installation of photofinishing equipment proceeded.
- In the electronic imaging business, sales decreased due to the shift to high-end models, while the sales of premium digital cameras *X Series* were strong.
- In the optical devices field, the overall sales decreased, due to weak sales of camera modules for use in smartphones.

**Both revenue and profit increased, reflecting the strong sales of the photo imaging business**

## Summary by Operating Segment

### Information Solutions

(Billions of yen)			
Revenue	YoY	Operating income	YoY
218.1	13.2 (+6.5%)	14.9	2.2 (+17.4%)

- In the medical systems business, the overall sales increased due to the strong sales of such products as medical IT, endoscopes and ultrasound diagnostic equipment, which are in growth fields. In the pharmaceuticals business, the overall sales increased due to the steady sales of contract manufacturing of biopharmaceuticals, even though domestic antimicrobial market was weak.
- In the FPD materials business, the overall sales decreased reflecting inventory adjustment of polarizer and other factors. Fujifilm is working to expand sales of products for TV and thinner products for use in small and medium-sized items.
- In the industrial products business, the overall sales increased due to the strong sales of new business such as EXCLEAR. In the electronic materials business, sales increased reflecting strong sales of such advanced products as photo resists and treatment agent.
- Sales in the recording media business increased, because the sales of computer tape proceeded smoothly.
- In the graphic systems business, the overall sales increased due to the strong sales of the industrial inkjet printhead and other factors.

**Both revenue and profit increased, owing to the sales increase and profit improvement in medical systems business and graphic systems business, though revenue decreased in the FPD materials business.**

## Summary by Operating Segment

### Document Solutions

(Billions of yen)			
Revenue	YoY	Operating income	YoY
287.9	13.4 (+4.9%)	24.1	2.4 (+10.9%)

- Consolidated revenue increased, reflecting the strong sales in the Asia-Oceania region as well as shipments for Xerox Corporation.
  - Regarding the office products business, the overall sales volume increased due to the sales increase of full-color models in Japan and strong sales of monochrome models in the Asia-Oceania region.
  - In the office printers business, the overall sales increased significantly, reflecting the strong sales in the Asia-Oceania region and export shipments to Xerox Corporation.
  - Regarding the production services business, revenue increased, reflecting the strong sales of color on-demand publishing systems and monochrome production printers.
  - Sales grew in the global services business in both Japan and the Asia-Oceania region, owing to a rise in the managed print service business.
- Operating income increased, reflecting an increase in gross profit by the growth in revenues.

**Both revenue and profit increased, reflecting the strong sales in the Asia-Oceania region as well as shipments to Xerox Corporation.**

# Consolidated Balance Sheet

(Billions of yen)

	Mar. 14	Mar. 15	Jun. 15	Change from Mar. 15
Cash and cash equivalents	604.6	726.9	703.0	(23.9)
Notes and accounts receivable	636.8	681.0	630.2	(50.8)
Inventories	363.7	372.5	404.3	31.8
Marketable securities and other	156.6	162.8	167.8	5.0
<b>Total current assets</b>	<b>1,761.7</b>	<b>1,943.2</b>	<b>1,905.3</b>	<b>(37.9)</b>
Property, plant and equipment	530.3	527.4	528.9	1.5
Goodwill, net	423.1	505.0	550.7	45.7
Investment securities and other	511.9	581.0	592.5	11.5
Total noncurrent assets	1,465.3	1,613.4	1,672.1	58.7
<b>Total assets</b>	<b>3,227.0</b>	<b>3,556.6</b>	<b>3,577.4</b>	<b>20.8</b>

	Mar. 14	Mar. 15	Jun. 15	Change from Mar. 15
Short-term and long-term debt	359.7	349.7	358.8	9.1
Notes and accounts payable	265.9	269.0	256.9	(12.1)
Other liabilities	403.2	470.5	469.4	(1.1)
<b>Total liabilities</b>	<b>1,028.8</b>	<b>1,089.2</b>	<b>1,085.1</b>	<b>(4.1)</b>
Total FUJIFILM Holdings shareholders' equity	2,020.6	2,232.7	2,255.0	22.3
Noncontrolling interests	177.6	234.7	237.3	2.6
<b>Total equity</b>	<b>2,198.2</b>	<b>2,467.4</b>	<b>2,492.3</b>	<b>24.9</b>
<b>Total liabilities and equity</b>	<b>3,227.0</b>	<b>3,556.6</b>	<b>3,577.4</b>	<b>20.8</b>

(yen)

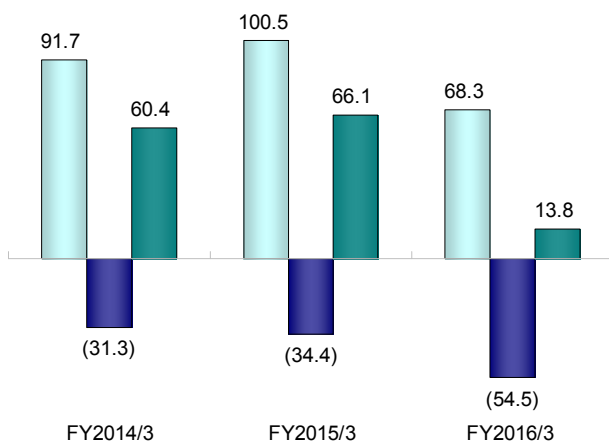
Exchange Rates	Mar. 14	Mar. 15	Jun. 15	Change from Mar. 15
US\$/¥	¥103	¥120	¥122	+¥2
€/¥	¥142	¥130	¥137	+¥7

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# Cash Flows

- C/F from operating activities
- C/F from investing activities
- Free cash flows

Cash Flows (1Q)



(Billions of yen)

	FY2014/3 1Q	FY2015/3 1Q	FY2016/3 1Q
Net income	19.5	19.1	28.3
Depreciation & amortization	33.4	29.1	28.6
Change in notes and accounts receivable	44.2	74.4	59.2
Change in inventories	(11.3)	(16.6)	(25.5)
Change in notes and accounts payable-trade	(3.6)	(13.4)	(14.1)
Change in accrued income taxes and other liabilities	20.1	19.0	13.3
Others	(10.6)	(11.1)	(21.5)
<b>C/F from operating activities</b>	<b>91.7</b>	<b>100.5</b>	<b>68.3</b>
Capital expenditure	(19.6)	(16.0)	(13.8)
Purchases of software	(4.8)	(4.0)	(5.8)
Sales and purchases of marketable and investment securities	0.9	(9.0)	7.4
Others	(7.8)	(5.4)	(42.3)
<b>C/F from investing activities</b>	<b>(31.3)</b>	<b>(34.4)</b>	<b>(54.5)</b>
<b>Free cash flows</b>	<b>60.4</b>	<b>66.1</b>	<b>13.8</b>
<b>C/F from operating activities + Capital expenditure</b>	<b>72.1</b>	<b>84.5</b>	<b>54.5</b>

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## Consolidated Financial Forecast for FY2016/3 (as of Jul. 30, 2015)

	FY2015/3	FY2016/3 (forecast)	Change from previous year	(Billions of yen) FY2017/3 (VISION2016)
Revenue	2,492.6 100.0%	2,580.0 100.0%	87.4 +3.5%	2,630.0 100.0%
Operating Income	172.4 6.9%	190.0 7.4%	17.6 +10.2%	220.0 8.4%
Income before Income Taxes	197.1 7.9%	190.0 7.4%	(7.1) -3.6%	—
Net Income Attributable to FUJIFILM Holdings	118.6 4.8%	120.0 4.7%	1.4 +1.2%	120.0 4.6%
Net Income Attributable to FUJIFILM Holdings per Share	¥245.94	¥248.85	¥2.91	—
ROE	5.6%	Around middle of 5 and 6%	—	7.0%
Exchange Rates US\$/¥	¥110	¥120	+¥10	¥100
€/¥	¥139	¥130	¥(9)	¥135
Silver Price (/kg)	¥64,000	¥65,000	+¥1,000	¥76,000

Note: Impact of exchange rate movements on operating income (FY2016/3 full year, ¥1 change) US\$/¥: ¥0.8 billion €/¥: ¥0.8 billion

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## Shareholder Returns

### ■ Share Buyback

Scheduled to conduct a share buyback of ¥150 billion in FY2016/3

#### The result of share buyback

- ✓ Number of shares bought : 10.91 million shares
- ✓ Total value of shares bought : ¥50 billion
- ✓ Dates for purchase : May 18, 2015, to July 13, 2015

#### The plan of share buyback

- ✓ Total value of shares to be bought (upper limit) : ¥100 billion
- ✓ Dates for purchase : August 3, 2015, to March 31, 2016

### ■ Dividend

Dividend for FY2016/3 is planned ¥65 (forecast), increased ¥5 from previous fiscal year. The dividend increase will be the 6 consecutive years.

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# FUJIFILM

## Value from Innovation

At Fujifilm, we are continuously innovating — creating new technologies, products and services that inspire and excite people everywhere.

Our goal is to empower the potential and expand the horizons of tomorrow's businesses and lifestyles.

**FUJIFILM Holdings Corporation**

Corporate Communication Office, Corporate Planning Div.

<http://www.fujifilmholdings.com/en/index.html>

The logo consists of the word "FUJIFILM" in a bold, sans-serif font. The letter "i" is lowercase and has a red vertical bar to its left. The entire logo is set against a dark grey rectangular background.

**Earnings for FY2016/3 1Q**

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**Appendix**

# Earnings of FY2016/3 1Q

## ■ Imaging Solutions

(Billions of yen)

Revenue	1Q		
	FY2015/3	FY2016/3	Change
Photo Imaging	48.9	58.3	9.4 (+19.3%)
Electronic Imaging	17.5	16.3	(1.2) (-6.7%)
Optical Devices	12.6	10.3	(2.3) (-18.9%)
Optical Device & Electronic Imaging Products	30.1	26.6	(3.5) (-11.8%)
<b>Total</b>	<b>79.0</b>	<b>84.9</b>	<b>5.9 (+7.4%)</b>

Note: After elimination of intersegment transaction.

(Billions of yen)

Operating Income [Operating Margin]	1Q		
	FY2015/3	FY2016/3	Change
Imaging Solutions	3.2 [4.0%]	4.5 [5.2%]	1.3 (+39.4%)

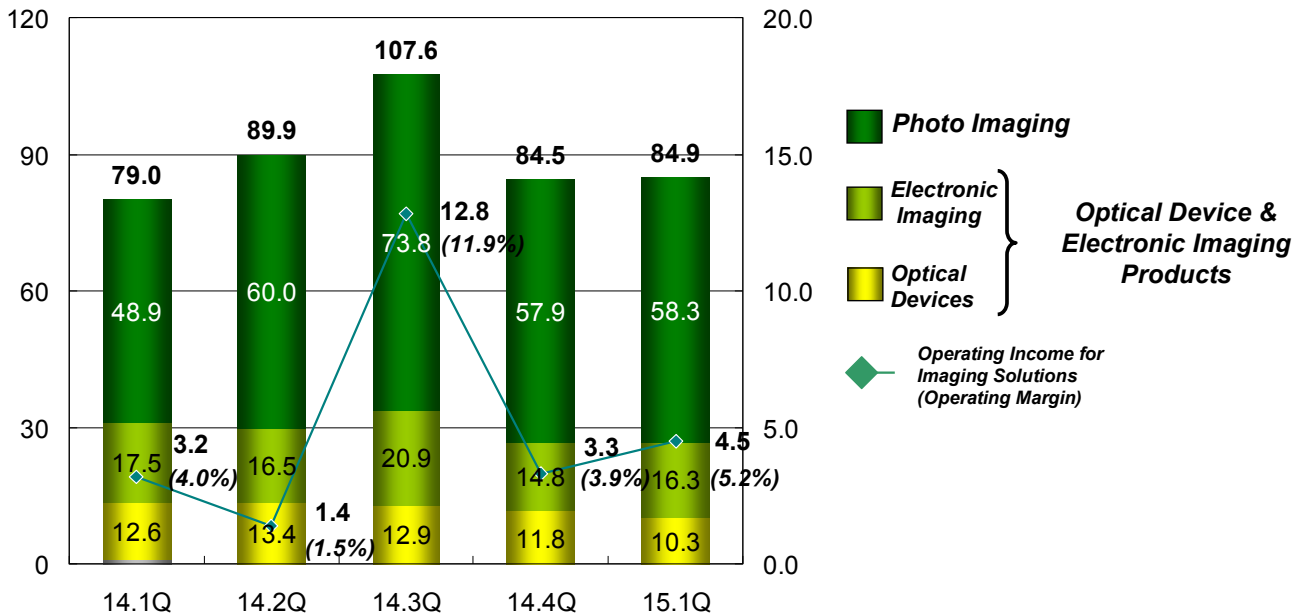
# Change in Quarterly Earnings by Operating Segment

## ■ Imaging Solutions

(Billions of yen)

Revenue

Operating Income



# Earnings of FY2016/3 1Q

## Information Solutions

(Billions of yen)

Revenue	1Q		
	FY2015/3	FY2016/3	Change
Healthcare	76.8	88.0	11.2 (+14.5%)
FPD Materials	30.4	20.9	(9.5) (-31.2%)
Industrial Products	20.2	25.3	5.1 (+25.6%)
Electronic Materials			
Highly Functional Materials	50.6	46.2	(4.4) (-8.6%)
Recording Media	10.5	10.8	0.3 (+3.1%)
Graphic Systems	65.2	71.5	6.3 (+9.8%)
Others	1.8	1.6	(0.2) (-13.1%)
<b>Total</b>	<b>204.9</b>	<b>218.1</b>	<b>13.2 (+6.5%)</b>

Note: After elimination of intersegment transaction.

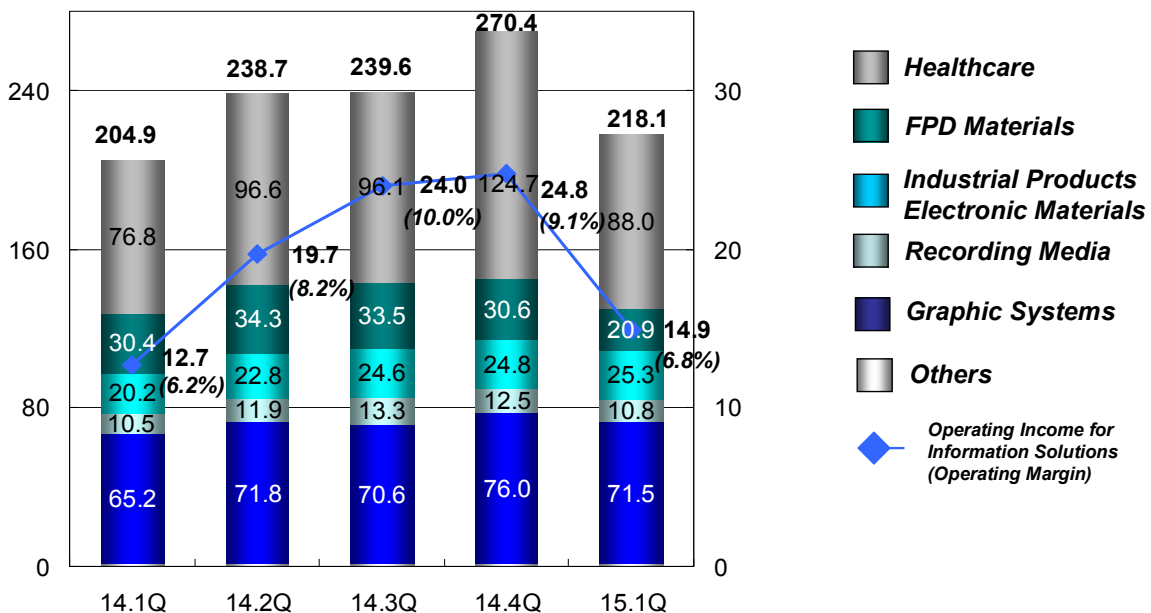
(Billions of yen)

Operating Income [Operating Margin]	1Q		
	FY2015/3	FY2016/3	Change
Information Solutions	12.7 [6.2%]	14.9 [6.8%]	2.2 (+17.4%)

# Change in Quarterly Earnings by Operating Segment

## Information Solutions

(Billions of yen)  
Revenue  
Operating Income





# Earnings of FY2016/3 1Q

## Document Solutions

(Billions of yen)

Revenue	1Q		
	FY2015/3	FY2016/3	Change
Office Products	126.6	125.5	(1.1) (-0.9%)
Office Printers	43.6	51.5	7.9 (+18.0%)
Production Services	34.3	38.0	3.7 (+10.7%)
Global Services	39.9	44.0	4.1 (+10.3%)
Others	30.1	28.9	(1.2) (-3.9%)
<b>Total</b>	<b>274.5</b>	<b>287.9</b>	<b>13.4 (+4.9%)</b>

Note: After elimination of intersegment transaction.

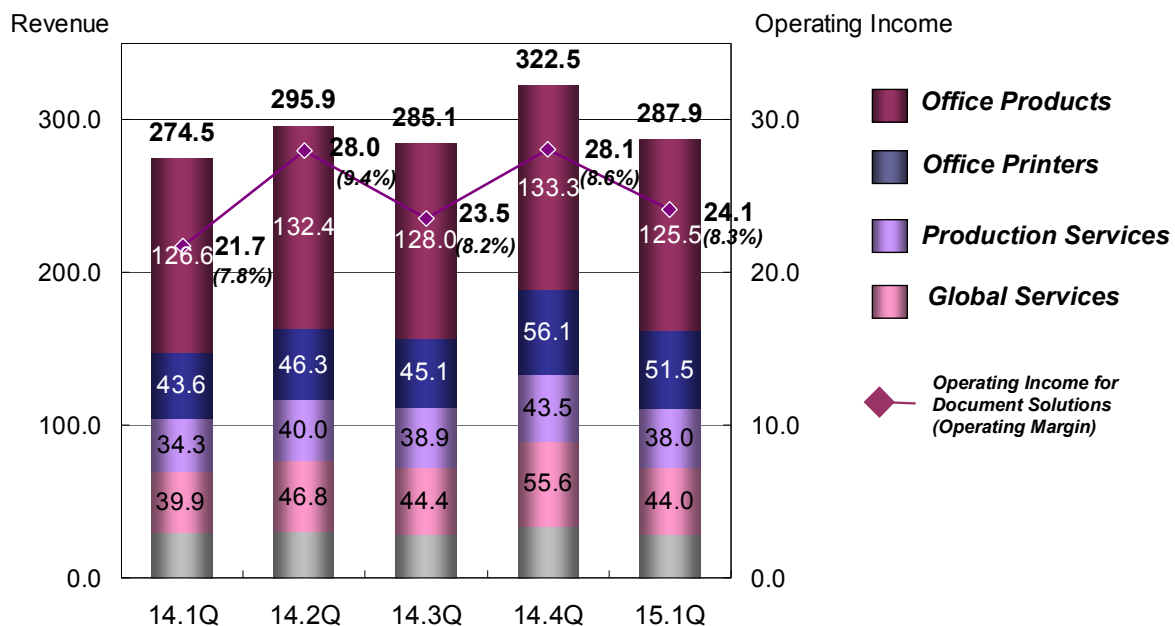
(Billions of yen)

Operating Income [Operating Margin]	1Q		
	FY2015/3	FY2016/3	Change
Document Solutions	21.7 [7.8%]	24.1 [8.3%]	2.4 (+10.9%)

# Change in Quarterly Earnings by Operating Segment

## Document Solutions

(Billions of yen)



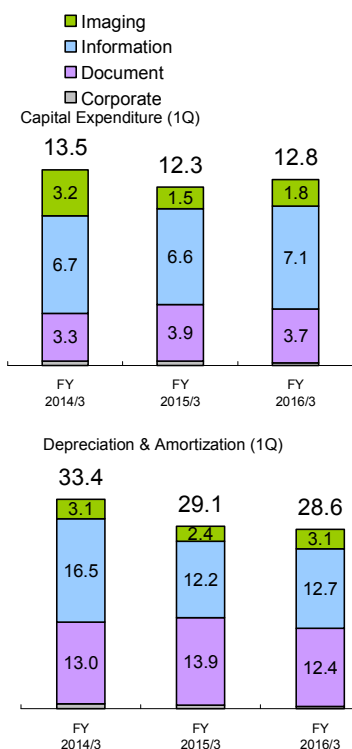
# Revenue from Domestic and Overseas

(Billions of yen)

	FY2015/3 1Q		FY2016/3 1Q		Change	
	Ratio (%)		Ratio (%)			
Domestic	40.3%	225.3	38.4%	227.0	1.7	(+0.8%)
The Americas	18.5%	103.5	21.3%	126.1	22.6	(+21.9%)
Europe	12.9%	72.0	12.1%	71.2	(0.8)	(-1.1%)
China	10.7%	59.2	10.9%	64.6	5.4	(+9.0%)
Asia and others	28.3%	157.6	28.2%	166.6	9.0	(+5.7%)
Overseas	59.7%	333.1	61.6%	363.9	30.8	(+9.2%)
Consolidated total	100.0%	558.4	100.0%	590.9	32.5	(+5.8%)

# Capital Expenditure , Depreciation & Amortization

(Billions of yen)



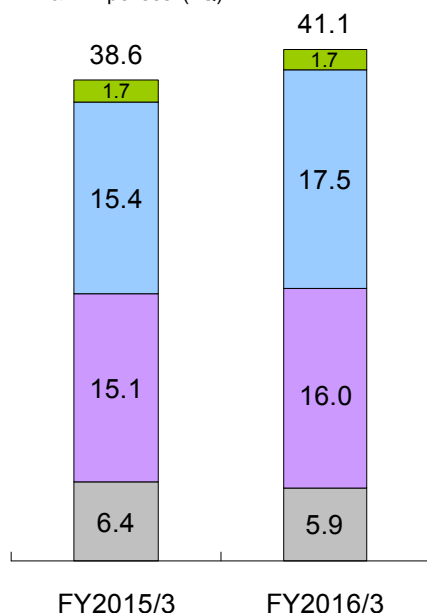
	1Q			Full year		
	FY 2014/3	FY 2015/3	FY 2016/3	FY 2014/3	FY 2015/3	FY2016/3 (forecast)
Imaging	3.2	1.5	1.8	9.3	7.9	-
Information	6.7	6.6	7.1	32.4	29.3	-
Document	3.3	3.9	3.7	23.9	17.3	-
Corporate	0.3	0.3	0.2	1.4	1.6	-
Capex *	13.5	12.3	12.8	67.0	56.1	80.0
Imaging	3.1	2.4	3.1	13.5	11.1	-
Information	16.5	12.2	12.7	68.6	51.0	-
Document	13.0	13.9	12.4	56.1	58.7	-
Corporate	0.8	0.6	0.4	3.2	2.1	-
Depreciation & Amortization	33.4	29.1	28.6	141.4	122.9	130.0
Depreciation*	20.6	15.7	15.2	90.7	65.1	75.0

\*Note : Figures do not include amounts for rental equipment handled by the Document Solutions segment and others.

# R&D Expenses, SG&A Expenses

- Imaging Solutions
- Information Solutions
- Document Solutions
- Corporate

R&amp;D Expenses (1Q)



	1Q		Full year	
	FY2015/3	FY2016/3	FY2015/3	FY2016/3 (Forecast)
Imaging	1.7	1.7	6.8	-
Information	15.4	17.5	65.7	-
Document	15.1	16.0	62.9	-
Corporate	6.4	5.9	25.7	-
<b>R&amp;D Expenses</b>	<b>38.6</b>	<b>41.1</b>	<b>161.1</b>	<b>165.0</b>
<ratio to revenue>	6.9%	7.0%	6.5%	6.4%
<b>SG&amp;A Expenses</b>	<b>149.8</b>	<b>154.5</b>	<b>628.0</b>	-
<ratio to revenue>	26.9%	26.1%	25.2%	-

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# Exchange Rates, Raw Material Prices, and Number of Employees

## Exchange Rates

(yen)

	FY2015/3					FY2016/3	
	1Q	2Q	3Q	4Q	Full year	1Q	Full year (forecast)
US\$/¥	102	104	115	119	110	121	120
€/¥	140	138	143	134	139	134	130

## Raw Material Prices (Average)

(¥1,000/kg)

	FY2015/3					FY2016/3	
	1Q	2Q	3Q	4Q	Full year	1Q	Full year (forecast)
Silver	65	67	62	64	64	64	65

## Number of Employees

	2014 Jun.	2014 Sep.	2014 Dec.	2015 Mar.	2015 Jun.
Consolidated Total	79,192	80,590	80,248	79,235	78,792

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# Pipeline

Development code	Therapeutic category	Formulation	Region	Development stage	Note
T-705	Anti-influenza drug	Oral	Japan	Approved	Approved in March 2014 (AVIGAN®)
			U.S.A.	P III	Under clinical trials utilizing subsidy from the U.S. Department of Defense
T-3811	Quinolone synthetic antibacterial drug	Oral	China	Submitted an application for permission	Already launched as <i>Geninax</i> in Japan
T-2307	Antifungal drug	Injection	U.S.A.	P I completed	
T-817MA	Alzheimer's disease drug	Oral	U.S.A.	P II	Undertaking clinical trials with the Alzheimer's Disease Cooperative Study
			Japan	P II	Engaging in the search and identification of biomarkers with the CiRA of Kyoto University
T-4288	Macrolide antibacterial drug	Oral	Japan	P II	
ITK-1	Bio- Castration-resistant prostate cancer drug	Injection	Japan	P III	
FF-10501	Recurrent/intractable myelodysplastic syndrome drug	Oral	Japan	P I	Promoting clinical development with the MD Anderson Cancer Center (U.S.A.)
			U.S.A.	P I	
FF-21101	Bio- Advanced/recurrent non-small cell lung/pancreatic cancer drug (armed antibody)	Injection	U.S.A./Europe/Japan	Under non-clinical trial	Promoting clinical development with the MD Anderson Cancer Center (U.S.A.)
FF-10502	Advanced/recurrent pancreatic/ovarian cancer drug	Injection	U.S.A./Europe/Japan	Under non-clinical trial	
F-1311	Diagnostic drug for prostate cancer (Radiopharmaceuticals)		Japan	P II	
-	Diagnostic drug for neuroendocrine tumor (Radiopharmaceuticals)		Japan	Submitted an application for permission	Generic name: Indium In 111 pentetreotide

Note: FKB327 (a biosimilar of adalimumab) is under phase III clinical trials in U.S.A. and other countries. FKB238 (a biosimilar of bevacizumab) is under phase I clinical trial in Europe. Both are from FUJIFILM KYOWA KIRIN Biologics, an equity method affiliated company.

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## Consolidated Financial Forecast for FY2016/3 by Segments (as of Jul. 30, 2015)

Revenue	FY2015/3	FY2016/3 (forecast)	Change from previous year
Imaging Solutions	361.0	355.0	(6.0)
Information Solutions	953.6	1,005.0	51.4
Document Solutions	1,178.0	1,220.0	42.0
Total	2,492.6	2,580.0	87.4

(Billions of yen)

FY2017/3 (VISION2016)
360.0
1,030.0
1,240.0
2,630.0

Note: After elimination of intersegment transaction.

Operating Income	FY2015/3	FY2016/3 (forecast)	Change from previous year
Imaging Solutions	20.7	23.0	2.3
Information Solutions	81.2	95.0	13.8
Document Solutions	101.3	105.0	3.7
Corporate Expenses & Eliminations	(30.8)	(33.0)	(2.2)
Total	172.4	190.0	17.6

(Billions of yen)

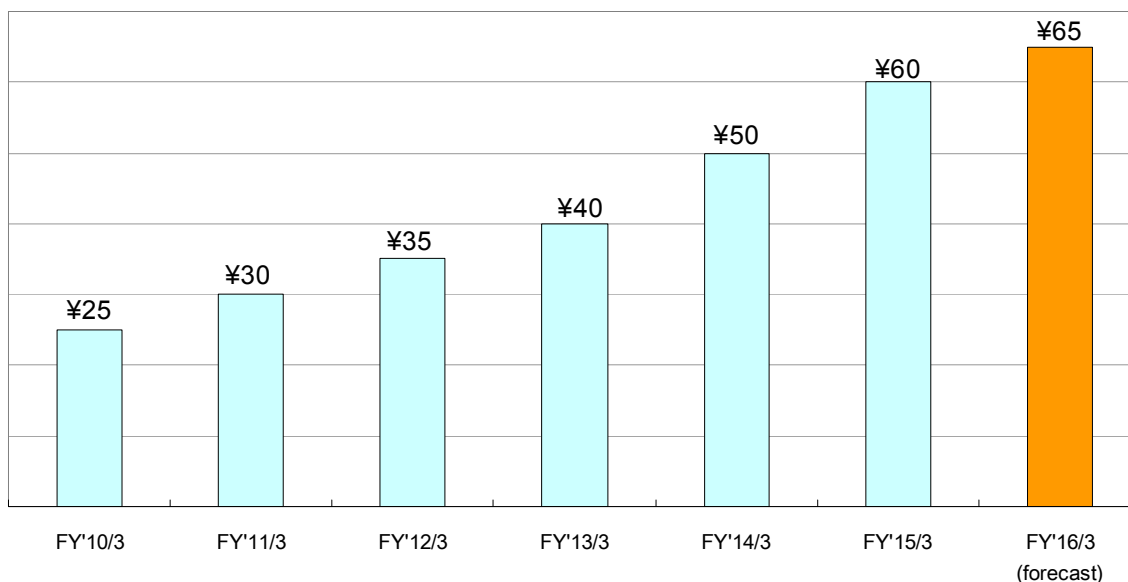
FY2017/3 (VISION2016)
25.0
105.0
125.0
(35.0)
220.0

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## Shareholder Returns

### ■ Dividend

Dividend for FY2016/3 is planned ¥65 (forecast), increased ¥5 from previous fiscal year. The dividend increase will be the 6 consecutive years.



## Appendix

### [FUJIFILM Holdings – Investor Relations](http://www.fujifilmholdings.com/en/investors/index.html)

<http://www.fujifilmholdings.com/en/investors/index.html>

### [FUJIFILM Holdings Annual Report 2015](http://www.fujifilmholdings.com/en/investors/annual_reports/2015/index.html)

[http://www.fujifilmholdings.com/en/investors/annual\\_reports/2015/index.html](http://www.fujifilmholdings.com/en/investors/annual_reports/2015/index.html)

### [IR Events Materials](http://www.fujifilmholdings.com/en/investors/ir_events/business_presentations/index.html)

[http://www.fujifilmholdings.com/en/investors/ir\\_events/business\\_presentations/index.html](http://www.fujifilmholdings.com/en/investors/ir_events/business_presentations/index.html)

- **Business presentation materials**
  - Feb. 2015 Business Presentation for Document Business
  - May. 2015 Business Presentation for Photo Imaging Business
- **Conference Materials**
  - Mar. 2015 Daiwa Investment Conference Tokyo 2015  
Growth Strategy of Fujifilm

### [What Kind of Company is Fujifilm?](http://www.fujifilmholdings.com/en/investors/guidance/index.html)

<http://www.fujifilmholdings.com/en/investors/guidance/index.html>

# FUJIFILM

## Value from Innovation

At Fujifilm, we are continuously innovating — creating new technologies, products and services that inspire and excite people everywhere.

Our goal is to empower the potential and expand the horizons of tomorrow's businesses and lifestyles.

**FUJIFILM Holdings Corporation**

Corporate Communication Office, Corporate Planning Div.

<http://www.fujifilmholdings.com/en/index.html>